

FURTHER PAPERS

RELATIVE TO

THE LOAN OF £3,000,000 STERLING.

(In continuation of Papers presented 7th August, 1865.)

PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY, BY COMMAND OF
HIS EXCELLENCY.

WELLINGTON.

—
1866.

FURTHER PAPERS RELATIVE TO THE LOAN OF £3,000,000 STERLING.

LETTERS FROM THE NEW ZEALAND GOVERNMENT TO THE CROWN AGENTS.

No. 1.

Copy of a Letter from the Hon. J. C. RICHMOND to the CROWN AGENTS for the Colonies.

(No. 215.)

Colonial Secretary's Office,

Wellington, 14th October, 1865.

GENTLEMEN,—

The present Ministry not having received the support they expected in passing certain financial measures through the Legislature, having for their object the raising the Revenue of the Colony by increased taxation, have placed their resignations in the hands of His Excellency the Governor.

As yet no new Ministry has been formed, and it therefore devolves on the existing Government to make the best possible arrangements under the circumstances for meeting the engagements of the Colony to the public creditors in England, which mature on the 31st December next.

I have accordingly to inform you that Bank Drafts have been remitted by this mail to meet the engagements referred to, amounting to £54,500.

This amount the Government has undertaken to refund to the Bank of New Zealand in London after receiving ninety day's notice.

In the event therefore of the Bank making a requisition on you for any sum not exceeding that amount, you will be good enough to raise the required amount by hypothecation of a sufficient amount of 6 per cent. Debentures, and pay over the same at the expiration of ninety days from the date of your receiving notice that the Bank requires the sum.

Under the circumstances stated, the Government place no restriction on you in effecting this arrangement, if required by the Bank of New Zealand to enter upon it.

It was my intention to have addressed you fully on the financial measures of the Government by this mail, but I am obviously precluded from doing so under present circumstances.

I have, &c.,

J. C. RICHMOND.

The Agents-General for Crown Colonies,
Spring Gardens, London.

No. 2.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the Colonies.

(No. 236.)

Colonial Secretary's Office,

Wellington, 13th November, 1865.

GENTLEMEN,—

With reference to the subject of your letter No. 34-911, of the 26th May last, I have the honor to transmit herewith a further warrant under the hand of His Excellency the Governor appointing you the Trustees to receive and invest the Sinking Fund provided by "The New Zealand Loan Act, 1863," and authorizing you to invest the same in such Indian or Colonial Securities as you may judge best, with a view to making the Sinking Fund speedily reproductive.

The warrant also authorizes you to invest the said Sinking Fund in the repurchase of a portion of the one million of Debentures, bearing interest at 5 per cent., already issued. But while this latter authority is conveyed to you, it is not desired that you should act on it, unless in your opinion the so doing would tend to increase the confidence of the market in the value of New Zealand Securities.

* * * * *

Any such Debentures as may be repurchased are not to be cancelled, but will be held for the present, interest being payable on them in the meantime.

Should you not, after due inquiry and consideration, deem it advisable to invest any portion of the Sinking Fund in that manner, you will employ it in the purchase of some of the other securities specified in the warrant, so as if possible to produce an interest of not less than 6 per cent.; and as the interest is received you will reinvest it in like manner.

The Government has every confidence that you will make every necessary exertion and inquiry to enable you to determine what course it may be most for the advantage of the Colony that you should take in this matter.

The Agents-General for Crown Colonies,
Spring Gardens, London.

I have, &c.,

E. W. STAFFORD.

No. 3.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the Colonies.

(No. 237.)

Colonial Secretary's Office,

Wellington, 13th November, 1865.

GENTLEMEN,—

I herewith remit to you the two Bank drafts noted in the margin, for the sum of £35,000 and £12,500 respectively.

FURTHER PAPERS RELATIVE TO

Of the first sum £25,000 is to provide for interest at 5 per cent. due in London on the 15th January next, on Debentures for one million, issued under "The New Zealand Loan Act, 1863," and the remaining £10,000 is to provide for interest at 4 per cent. on the Debentures for £500,000, which you were by my predecessor's letter No. 50, of the 10th March, authorized to issue towards liquidation of the debt due from New Zealand to the Imperial Government.

The draft for £12,500 is to provide for the Sinking Fund in respect of the amounts issued under the above-mentioned Loan Act, and will, with the £5,000 previously remitted, place a sum of £17,500 at your disposal for investment.

The Agents-General for Crown Colonies,
Spring Gardens, London.

I have, &c.
E. W. STAFFORD.

PARTICULARS of amount to be remitted to Messrs. Julian and Sargeaunt, Crown Agents for the Colonies, on account of interest on New Zealand Government Debentures for the half-year ending 15th January, 1866.

<i>On Debentures.</i>			
Nos. 1 to 1,000—1,000 Debentures, at £500	...	...	£500,000 0 0
Nos. 1 to 2,250—2,250 Debentures, at £200	...	...	450,000 0 0
Nos. 1 to 500—500 Debentures, at £100	...	...	50,000 0 0
			<u>£1,000,000 0 0</u>
Say on £1,000,000 at 5 per cent. for six months	...		£25,000 0 0
On Debentures handed to the Lords Commissioners of Her Majesty's Treasury	...	£500,000	10,000 0 0
Say on £500,000, at 4 per cent.	...	...	<u>£35,000 0 0</u>

Treasury, Wellington, New Zealand,
13th November, 1865.

J. WOODWARD,
Assistant Treasurer.

PARTICULARS of Remittance on account of Sinking Fund under "The New Zealand Loan Act, 1863."

Amount to be invested on £1,000,000, from 15th January, 1865, to 15th January, 1866, at 1 per cent....	...	£10,000 0 0
On £500,000, from 15th July, 1865, to 15th January, 1866	...	2,500 0 0
		<u>£12,500 0 0</u>

Treasury, Wellington, New Zealand,
13th November, 1865.

J. WOODWARD,
Assistant Treasurer.

No. 4.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the Colonies.

(No. 239.)

Colonial Secretary's Office,

GENTLEMEN,—

Wellington, 14th November, 1865.

I enclose copies of three Acts passed during the recent Session of the New Zealand Parliament, namely:—

No. 54. An Act to amend "The New Zealand Loan Act, 1863," and "The Rate of Interest Act, 1864."

No. 58. An Act to amend "The Debentures Act, 1864."

No. 68. "An Act to provide for the Settlement and Discharge of certain Claims against and Debts due from the Superintendent of the Province of Southland, and for other purposes."

The first of these Acts authorizes the Sinking Fund on the unraised portion of the Three Million Loan to be fixed at such sum, not being less than one, or more than two per cent., as may be thought advisable. The Act also provides that the Bonds issued under "The New Zealand Loan Act, 1863," and "The Rate of Interest Act, 1864," or either of them, may be sold or disposed of at such prices as the Governor may think fit; and that the principal sums hereafter to be raised shall be repaid on some day to be named in the Bonds not later than thirty years.

With a view to the action to be taken, I now transmit a warrant under the hand of His Excellency the Governor, authorizing you to sell Bonds, not having more than thirty years to run, at a price not being less than ninety pounds (£90) for every one hundred pounds (£100) secured. These Bonds will bear six per cent. interest, and have a sinking fund of two per cent.

With the exception of this limit, the New Zealand Government does not desire to impose any restrictions as to the minimum price to be fixed when you invite tenders, but is content to leave it to your discretion, trusting that you will fix the minimum rate at the highest amount likely to be obtained, keeping in view at the same time the necessity of *ensuring* a sale.

The whole responsibility in this matter is thus left with you, and no other persons are, or are proposed to be, authorized to interfere with respect to it, the Government being strongly of opinion that it is most desirable that for the future all New Zealand securities should be placed on the market by the same agency.

With respect to the sum for which tenders should be invited, the Government is anxious to realize such an amount as will cover the balance due from it to the Bank of New Zealand, and will also provide a sufficient sum to enable it to take up one hundred thousand pounds (£100,000) of

eight per cent. Debentures falling due in London on the thirty-first of March next, and to meet other charges which will come in course of payment in the early part of next year. It is estimated that the aggregate amount of these liabilities will require a sum of from four hundred and fifty thousand pounds (£450,000) to half a million (£500,000.) If, therefore, you believe that such a sum could be placed on as favourable terms as a lesser sum, you will invite tenders for, say, half a million (£500,000.) But, as it is especially desirable that the first six per cent. Bonds sold should be placed at a fair average rate, as compared with other Colonial securities, you are authorized, if you are of opinion that a lesser amount would sell at a higher rate than the amount I have named, to call for tenders for such lesser amount, which should not, however, be less than two hundred and fifty thousand pounds (£250,000.) The proceeds of all sales are to be paid in, as they may be received, to the New Zealand Bank to the credit of the New Zealand Government.

The second Act, No. 58, extends the time during which the eight per cent. Debentures can be issued, from December, 1867, to December, 1868, and also authorizes a reissue of Debentures of the same amount as that represented by any Debentures previously in circulation, but which have been taken up, provided that the total amount secured shall not exceed £1,000,000.

The present Government does not however wish to use this power unless absolutely necessary, as it concurs in the opinions you have expressed on this subject, and which have been borne out by the result of the sales of these eight per cent. Debentures, to the effect—that the confidence of the money market in the securities of the Colony is diminished when so high a rate of interest is offered. This Government therefore proposes not only to abstain from disposing of any more eight per cent. Debentures, but also to take up as fast as possible those now in circulation. You will accordingly observe that one reason for promoting the sale of the six per cent. Bonds, is to enable the eight per cent. Debentures heretofore issued, to be taken up at an early date, and to avoid the necessity of issuing any more of them. The knowledge of this intention on the part of the New Zealand Government will necessarily enhance the value of the six per cent. securities of the Colony, as they will not for the future be brought into competition with the eight per cent. Debentures, and their value will further be increased by the raising of the Sinking Fund from one to two per cent., so as to secure that they will be paid off in a much shorter time than was previously proposed.

There are also other reasons to which I desire to direct your attention, which should predispose the London market towards the securities of the Government of New Zealand favorably, as compared with the estimation in which these securities have for some time been held. One of these reasons is to be found in the fact that the Native war, which has for some years entailed large extraordinary expenses on the Colony, is at its close. With the last month alone, many hundred Natives previously in arms have surrendered themselves, laid down their arms, and taken the oath of allegiance, while many others have been taken prisoners. And in many places where the Hau Hau fanaticism had existed, Natives friendly to the Government have eagerly turned out to aid in suppressing the fanatics and in establishing order. Obviously the result of this state of things will be to relieve the Colony from the large expenditure which it has for some time incurred, and which has for the time weighed so heavily on its resources. The present Government has openly avowed its intention to reduce the expenditure, and has already taken steps to do so. Concurrently the discovery of new and extensive Gold Fields on the West Coast of the Middle Island, is fast augmenting and will still further increase the population, the revenue, and general commerce of the Colony, and enable it to bear its burdens with ease.

The Act No. 68, now enclosed, cannot fail also to be attended with beneficial results, as it provides a means of discharging the liabilities of the Province of Southland, which owing to the numerous hands into which the obligations of that Province had passed, and the way in which they had been forced into the market, had a most prejudicial effect on New Zealand securities generally. The nineteenth section too of that Act, will have a most salutary effect in restricting the further accumulation of the public debts of the Colony, as it prevents any more Provincial Loans from being raised unless authorized by the General Assembly, which is not likely for the present to give its sanction to any such loans.

The circumstances I have just referred to, which will speedily become known, cannot but impart a healthy tone to the market in respect of existing New Zealand securities.

The Agents-General for Crown Colonies,
Spring Gardens, London.

I have, &c.,
E. W. STAFFORD.

No. 5.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the Colonies.

(No. 265.)

Colonial Secretary's Office,

GENTLEMEN,—

Wellington, 15th December, 1865.

In my letter No. 239, of the 14th November, you were informed that a portion of the proceeds of the sale of the 6 per cent. Bonds was to be applied to pay £100,000 of 8 per cent. Debentures, falling due on the 31st March, 1866.

The New Zealand Government has every reason to expect that, by that date, you will have been able to dispose of sufficient 6 per cent. Bonds to provide funds for the payment in question, at or above the minimum selling price of 90 per cent. Should, however, this expectation not be realized, the Government is not prepared to submit to these Bonds being sold for a price lower than that at which you are already authorized to issue them, and will prefer to re-issue, temporarily sufficient Debentures at 8 per cent. to retire those falling due on the 31st March next.

To meet such a contingency, you will accordingly receive, by next mail, a warrant authorizing you to make and issue Debentures at 8 per cent., under the Debentures' Act of last session (No. 58). You will thus be enabled to take such steps in the meantime to ensure your obtaining the amount required on the 31st March next, by the sale or hypothecation of securities bearing interest, either at 6 or 8 per

FURTHER PAPERS RELATIVE TO

cent., as may appear to you advisable, with reference to the special state of the market or other circumstances.

The Agents-General for Crown Colonies,
Spring Gardens, London, S.W.

I have, &c.,
E. W. STAFFORD.

No. 6.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the Colonies.

(No. 14.)

Colonial Secretary's Office,
Wellington, 12th January, 1866.

GENTLEMEN,—

Referring to the intimation contained in my letter No. 265, of the 15th December last, I now enclose a warrant under the hand of His Excellency the Governor, authorizing you to make and issue Debentures, bearing interest at 8 per cent., to the amount in the whole of £200,000.

You will observe from a perusal of this warrant that, of the total amount authorized, £60,000 is to be issued under the authority of "The Debentures Act, 1864," No. 3, and £140,000 under the authority of "The Debentures Amendment Act, 1865," No. 58; of the latter sum however, £100,000 cannot be issued except and until the £100,000 of 8 per cent. Debentures, falling due on the 31st March next, have been retired, but may be issued if necessary for the purpose of replacing these latter Debentures.

You will however have learnt from my letter No. 239, of the 14th November last, that the Government would prefer to discharge its current liabilities by the sale of 6 per cent. Bonds, issued under the authority of "The New Zealand Loan Act, 1865," No. 54, provided that they could be placed at or above the price of £90 for every £100 secured. The Government hopes that you will have been able to have placed at or above that price, a sufficient amount of such Bonds by the 31st of next March, as will enable you to redeem the £100,000 of Debentures falling due on that day, and also to provide funds for other services, and the warrant now transmitted is only to be used in the contingency of this hope being disappointed. Owing, however, to the recent rapid changes in the London money market, the Government have thought it right to arm you with the means of meeting their engagements by the sale or hypothecation of securities, bearing either 8 or 6 per cent. interest, as may, in your opinion, be most advisable, having regard to the special circumstances of the market.

After taking up the £100,000 of 8 per cent. Debentures due in March, you will, out of the sums received from the disposal of New Zealand securities, pay the sum of £1,000 to Mr. John Morrison, agent for the New Zealand Government, and the remainder, as has already been intimated to you, into the Bank of New Zealand to the credit of the New Zealand Government, taking care always that the bills at sixty days sight for £40,000, of which you are advised in my letter No. 15, of this date, in favor of the Bank of New Zealand, are duly met at maturity.

The Crown Agents for the Colonies,
Spring Gardens, London.

I have, &c.,
E. W. STAFFORD.

No. 7.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the Colonies.

(No. 15.)

Colonial Secretary's Office,
Wellington, 12th January, 1866.

GENTLEMEN,—

The New Zealand Government has handed to the Bank of New Zealand bills on you in favor of that bank, at 60 days' sight, for £40,000, which it desires that you will take up at maturity out of the sums you are empowered to raise under the authorities conveyed to you in my letters No. 239, of the 14th November, and No. 14, of this date.

The Government relies on your taking the necessary steps under the large powers of sale or hypothecation of New Zealand securities which you possess, to ensure that these Bills, as also the Debentures due on the 31st March, are duly retired at maturity.

The Crown Agents for the Colonies,
Spring Gardens, London.

I have, &c.,
E. W. STAFFORD.

No. 8.

Copy of a Letter from Mr. GISBORNE to the CROWN AGENTS for the Colonies.

(No. 20.)

Colonial Secretary's Office,
Wellington, 12th January, 1866.

GENTLEMEN,—

Referring to my letter of the 8th instant, acknowledging the receipt of your letter No. 37-445, of the 26th October last, on the subject of the delivery to the Imperial Government of £500,000 of New Zealand Debentures, I have the honor, by direction of Mr. Stafford, to inform you that Ministers have advised His Excellency the Governor that the same course should be adopted with respect to these Debentures as that suggested in your letter of the 26th June to Mr. J. F. Elliott (Colonial Office), namely, that the Imperial Government should accept these Debentures as they are offered, and cover them with the guarantee of an Imperial Act.

Messrs. Julyan and Sargeaunt,
Crown Agents for the Colonies,
Spring Gardens, London.

I have, &c.,
W. GISBORNE,
Under Secretary.

No. 9.

Copy of a Letter from Mr. GISBORNE to the CROWN AGENTS for the Colonies.

(No. 65.)

Colonial Secretary's Office,
Wellington, 12th March, 1866.

GENTLEMEN,—

I have the honor, by the direction of Mr. Stafford, to acknowledge the receipt of your letter, No. 38-106, of the 26th December last.

The remittance of £54,500, to which you refer, was made by the last October mail (the same mail which took the late Colonial Secretary's letter of the 14th of that month, to which your letter replies), and was composed of the following drafts:—

£12,771 19s. 1d., remitted through the Secretary of State to the Lords Commissioners of Her Majesty's Treasury.

£13,500, and £18,227 4s., remitted to the Bank of New Zealand, London, where the principal and interest were payable.

In the press of business at the time, you were not advised in detail of these remittances; but in future a statement of the remittance made will be forwarded to you.

I have to observe, that although in your letter of the 26th December you state that the Bank of New Zealand knew nothing of these remittances, the London Manager of that bank, in a letter dated the 23rd December, acknowledges to have received the two latter sums of £13,500 and £28,227 4s.

I have, &c.,

Messrs. Julyan and Sargeant,
Crown Agents for the Colonies,
Spring Gardens, London, S.W.W. GISBORNE,
Under Secretary.

No. 10.

Copy of a Letter from Mr. GISBORNE to the CROWN AGENTS for the Colonies.

(No. 76.)

Colonial Secretary's Office,
Wellington, 15th March, 1866.

GENTLEMEN,—

I have the honor to enclose herewith statement of amount remitted this day, for interest and Sinking Fund, for your information.

I have, &c.,

P. G. Julyan, Esq.,
W. C. Sargeant, Esq.,
Crown Agents for the Colonies,
Spring Gardens, London.W. GISBORNE,
Under Secretary.

No. 11.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the Colonies.

(No. 83.)

Colonial Secretary's Office,
Wellington, 14th March, 1866.

GENTLEMEN,—

I have the honor to advise that I have drawn upon you this day for the sum of Forty thousand pounds at sixty days' sight, in favor of the Bank of New Zealand, London, to which draft I have to request that you will extend due protection.

I have, &c.,

Messrs. Julyan and Sargeant,
Crown Agents for the Colonies, Spring Gardens.

E. W. STAFFORD.

No. 12.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the Colonies.

(No. 84.)

Colonial Secretary's Office,
Wellington, 15th March, 1866.

GENTLEMEN,—

I herewith remit you the bank draft noted in the margin for the sum of £27,000. This amount is to cover—

1st. Half-year's interest at 5 per cent. on Debentures for £1,000,000, issued under "The Loan Act, 1863."

2nd. Three months' interest at 8 per cent. on Debentures for £100,000, which you have been authorized to reissue in exchange for Debentures falling due on the 31st of March instant.

The latter sum, it will be seen, is in anticipation of your having reissued the Debentures in question, and either dated them back to the 1st January (receiving the accrued interest), or making three months due on June 30, so as to bring future payments to the ending of the usual half-yearly period. If, however, you should have dated the Debentures on April 1, you will please to reserve the sum now sent, as an amount available on account of the interest due September 30.

I take the opportunity to add, that I have observed with much satisfaction that you have usually fixed the 15th of the month for payment of interest instead of the 1st, as, having regard to the usual course of post, that date gives really another month for the transmission of remittances and advices.

B.—No. 1. 8 FURTHER PAPERS RELATIVE TO THE LOAN OF £3,000,000.

I am not yet aware whether you found it practicable to fix that date in respect of the reissue already referred to.

Messrs. Julyan and Sargeant,
Crown Agents for the Colonies,
Spring Gardens, London.

I have, &c.,
E. W. STAFFORD.

Enclosure in No. 12.

Particulars of Amount to be remitted to Messrs. JULYAN and SARGEANT, Crown Agents for the Colonies, on account of Interest on New Zealand Government Debentures for the half-year ending 15th July, 1866.

On Debentures issued under "The Loan Act, 1863"—

No. 1 to 1000—1000 Debentures at £500 each	...	...	£500,000	0	0
No. 1 to 2250—2250	"	£200	...	...	450,000 0 0
No. 1 to 500—500	"	£100	...	...	50,000 0 0
			£1,000,000	0	0
Say interest on £1,000,000 at 5 per cent. for six months	...		£25,000	0	0
On Debentures to be issued to replace those falling due at Bank of New Zealand on 31st March, 1866—					
Say interest on £100,000 at 8 per cent. for three months	...		2,000	0	0
			£27,000	0	0

New Zealand Treasury, Wellington,
14th March, 1866.

J. WOODWARD,
Assistant Treasurer.

No. 13.

Copy of a Letter from Mr. GISBORNE to the CROWN AGENTS for the Colonies.

(No. 117.)

Colonial Secretary's Office,
Wellington, 14th April, 1866.

38-374, Jan. 19,
1866.

GENTLEMEN,—

By direction of Mr. Stafford, I have the honor to acknowledge the receipt of your letters of the numbers and dates quoted in the margin.

38-523, Jan. 26,
1866.

I have, &c.,
W. GISBORNE,
Under Secretary.

The Crown Agents for the Colonies,
Spring Gardens, London, S.W.

No. 13.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the COLONIES.
New Zealand,

GENTLEMEN,—

Colonial Secretary's Office, Wellington, 15th June, 1866.

I have the honor to acknowledge the receipt of your letter No. 39-255, of the 24th March last, and to express the satisfaction with which the Government has learned that you had succeeded in disposing of half a million of New Zealand 6 per cent. Bonds.

At the same time, the result of your operations induces the Government to believe that the Bonds might possibly have commanded a higher price.

The Government approves of the redemption of the £100,000 eight per cent. Debentures which were about to mature in a few days, by the exchange of 6 per cent. Bonds on the terms specified by you; but in future, as no such pressing emergency exists, all further exchanges should be made on more favorable terms, so as to ensure that, taking into account accrued interest on the 8 per cent. Debentures at the time of conversion, the latter would be exchanged at such a price as would be equivalent to disposing of the 6 per cent. Bonds at no lower rates than £95 for every £100 secured, and for the present no more 6 per cent. Bonds are to be disposed of for a less price than £95.

I have directed Mr. Morrison to furnish you regularly with statistical returns and other official documents showing the progress of this Colony.

You will be glad to learn that the Colony continues tranquil, that the revenues, and, the yield of the gold fields are increasing, and that there is no probability of further disturbances requiring the large extraordinary expenditure which the late Native insurrection had for some time past entailed.

Messrs. Julyan and Sargeant, Crown Agents,
Spring Gardens, London.

I have, &c.,
E. W. STAFFORD.

No. 14.

Copy of a Letter from the Hon. E. W. STAFFORD to the CROWN AGENTS for the COLONIES.
GENTLEMEN,— Colonial Secretary's Office, Wellington, 23rd July, 1866.

I have the honor to acknowledge the receipt of your letter No. 39-992, of the 26th of May last, referring to the panic which existed in the London money market, and reporting the steps which you had taken in reference to the New Zealand Bonds in your hands.

I have to express the satisfaction of the Government that, notwithstanding the depression and general distrust which prevailed with respect to securities of all kinds, confidence in the value of the New Zealand Bonds was shown by the sale of the amount named by you at 92 per cent.

I have to repeat the instructions previously sent to you not to sell any more New Zealand Bonds at a lower rate than 95 per cent.

The Government is about to submit to the Legislature, now in session, a proposal to consolidate the debts of the General Government, and convert the whole into 6 per cent. stock, which would, amongst other advantages, enable a profit to be made in the case of any temporary necessity on the part of holders of our 5 per cent. Bonds, similar to that reported by you with respect to the £300,000 lately sold by the "Credit Mobilier" at 60 per cent.

The propriety of proposing the consolidation of the Provincial debts is also under consideration.

With respect to the balance of fifty thousand pounds (£50,000) retained in your hands, I trust that long before you receive this letter the revival of confidence in the London banks will have enabled you to deposit temporarily that amount at interest.

I have to refer you to my letter No. 243 of even date herewith, instructing you as to the disposal of the sum of twenty-nine thousand pounds (£29,000) out of that amount.

I have, &c.,

E. W. STAFFORD.

The Crown Agents for the Colonies,
Spring Gardens, London, S. W.
